

NO. 1000

1957-1958

United States Court of Appeals
FOR THE SIXTH CIRCUIT

W. O. Hill, Inc., a corporation,

Plaintiff-Appellant,

vs.

Wentworth Manufacturing Co., a corporation,

Defendant-Appellee.

**OPENING BRIEF FOR PLAINTIFF-
APPELLANT.**

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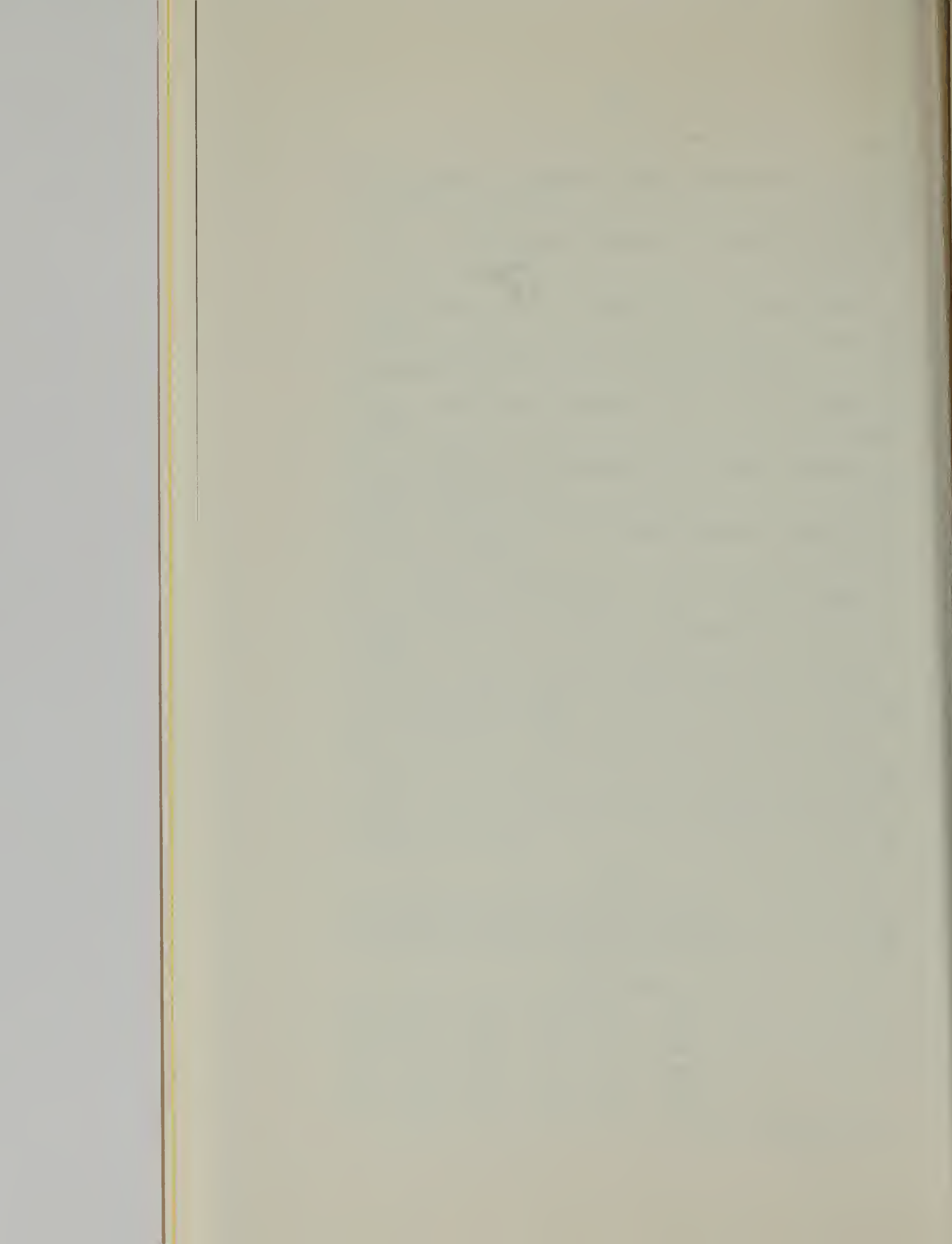
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No. 18442

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

WHAM-O MFG. Co., a corporation,

Plaintiff-Appellant,

vs.

PARADISE MANUFACTURING Co., a corporation,

Defendant-Appellee,

OPENING BRIEF FOR PLAINTIFF- APPELLANT.

Jurisdictional Statement.

This is an appeal in a patent infringement and unfair competition action where the jurisdiction of the lower court was based on 28 United States Code §1338 relating to patent causes and to unfair competition [R. 3, 4, 5, 7, 8]. The appellate jurisdiction of this Court is based on 28 United States Code §1291, the notice of appeal [R. 102] having been filed within the prescribed period. The portion of the judgment appealed from was entered on November 29, 1962, by Chief Judge Peirson M. Hall of the United States District Court, Southern Division of California, Central Division, after a hearing [R. 111-127] on motions for summary judgment filed by both parties [R. 19-47, 63-85]. Chief Judge Hall granted Defendant-

Appellee's motion for summary judgment, denied Plaintiff-Appellant's motion for summary judgment, and dismissed the second claim of the Complaint relating to unfair competition for lack of jurisdiction [R. 96-97].

Statement of the Case.

A. Subject Matter of the Carrier Patent.

The Carrier Patent [R. 41-44] is a patent for an amusement device. In particular, the type of amusement device described and claimed in the Carrier patent is a device for use in body planing. Body planing is described at column 1, lines 19-29 [R. 42] as “. . . to run along the water's edge and then leap and project one's body in a horizontal plane so as to land flat on the surface of the water and plane thereacross. This sport . . . can be practiced with or without the use and aid of planing boards or air mattresses . . .”. The Carrier patent describes, at column 3, lines 32-43 [R. 43] various materials of which the patented device can be constructed, the first mentioned being a vinyl plastic film. The vinyl plastic film is utilized to form the body portion B of the Carrier device so as to provide “. . . a flat, elongate, horizontally disposed flexible strip of sheet material, having a flat, smooth, substantially horizontally disposed top surface 10, a downwardly disposed bottom surface 11, front and rear end edges 12 and 13, and straight parallel side edges 14” (column 3, lines 13-18) [R. 43]. Lubrication of the body B is provided by means of “. . . an elongate, flexible duct 20, extending longitudinally along one side of the strip and having a plurality of longitudinally spaced laterally opening apertures disposed to discharge water onto the top surface 10 of the

strip. The duct is coextensive with the strip, is closed at its front end 21, and is provided with a hose coupling 22 at its rear end 23" (column 3, lines 44-50) [R. 43].

B. The Paradise Device.

An exemplar of the Paradise device is included in the Record [R. 81], as well as a reproduction of the front portion of the container therefor, showing the device [R. 45-46].

An inspection of the Paradise device shows it to consist of a thin sheet of vinyl plastic about twenty-four feet in length and three and one-half feet in width. Extending along the length of the sheet at either side thereof is a water conduit. The water conduit is formed by folding over the edge of the sheet and heat sealing the folded edge, so as to form an enclosure. A water hose coupling is attached to the device at one end of one of the conduits. The conduits have small holes formed in the upper surface thereof, the purpose of which is to permit water to spray from the conduit onto the surface of the sheet. The Paradise device may be folded into a small rectangular package for carrying or shipping.

C. Claims of the Carrier Patent.

Claim 1 [R. 44] is the broadest claim of the Carrier patent, and reads as follows:

A portable aquatic play device for body planing comprising a unitary film-like flexible strip having a first surface frictionally engageable with the

ground when the strip is extended so as to inhibit relative movement there between and a second flat and smooth surface being water impervious and forming a body planing area when the strip is so extended in engagement with the ground, a water conduit connected to the strip, said conduit having means for applying water to the body planing area of said second surface when the strip is extended, said strip being of a selected thickness, flexibility and weight so as to conform to irregularities of the ground when extended and, when in storable condition, to provide for the facile carrying thereof by a user.

The remaining claims are dependent claims, and are as follows:

2. A device as described in claim 1 in which the water conduit extends longitudinally along the body planing area.

3. A device as described in claim 1 in which the water conduit extends transversely across the body planing area.

4. A device as described in claim 1 in which the strip consists of a non-wettable plastic material.

5. A device as described in claim 4 in which the water conduit consists of a passage formed by folding over a longitudinal edge of the strip.

6. A device as described in claim 5 in which the water conduit terminates at one end thereof in a hose coupling and is sealed at its other end.

D. Lower Court Proceedings.

The present case began when Plaintiff-Appellant, Wham-O Mfg. Co. (hereinafter called Wham-O), filed a Complaint against Defendant-Appellee, Paradise Manufacturing Co. (hereinafter called Paradise) alleging infringement of United States Patent No. 2,982,547 (hereinafter referred to as the Carrier patent) [R. 41-44] and unfair competition. Wham-O thereafter filed an Amended Complaint for infringement of the Carrier patent and for unfair competition [R. 2-6]. Paradise filed an Answer admitting jurisdiction of the Court and denying that the patent was valid or infringed or that Paradise had competed unfairly against Wham-O [R. 7-9]. This Answer included a counterclaim for a declaratory judgment that the patent was invalid, was not infringed, and that Wham-O had competed unfairly with Paradise and had violated the anti-trust laws of the United States [R. 12-13]. Wham-O replied to the counterclaim [R. 16].

Paradise filed a motion for summary judgment as to claim 1 of the Complaint [R. 19-47]. Both Wham-O and Paradise filed pre-trial memoranda [R. 48-62] and Wham-O filed its own motion for summary judgment for patent validity and infringement [R. 63-85]. Wham-O filed a memorandum in opposition to the Paradise motion for summary judgment [R. 86-88], but Paradise filed no memorandum in opposition to the Wham-O motion for summary judgment. The motions for summary judgment and the pre-trial conference were set for January 8, 1962, at which time Chief Judge Hall heard the motions for summary judgment [R. 112-121], and ordered the pre-trial conference off calendar [R. 127].

On November 29, 1962, Chief Judge Hall entered an order granting the Paradise motion for summary judgment, denying the Wham-O motion for summary judgment, and dismissing the unfair competition claim of the Amended Complaint for lack of jurisdiction on the Court's own motion without hearing [R. 96-97]. The Carrier patent [R. 41-44] contains six claims. In granting the Paradise motion for summary judgment, Chief Judge Hall held that:

(a) The United States Patent Office had failed to consider the most pertinent prior art and therefore, the presumption as to validity was overcome;

(b) Each of the Carrier patent claims was invalid for want of invention, as claiming subject matter obvious to one skilled in the art; and

(c) Each of the Carrier patent claims was invalid as covering the old combination of a planing strip and a flexible water conduit to wet the same without providing any change in the function of the elements of the combination and without any new, surprising or unexpected result.

The Paradise motion for summary judgment was for dismissal of claim 1 of the Complaint. During the January 8 hearing, the attorney representing Paradise stated that the Paradise motion was for patent invalidity [R. 112], and the attorney representing Wham-O stated that the Wham-O motion was for patent validity and for patent infringement [R. 113]. Chief Judge Hall considered that the Wham-O motion as to infringement raised additional issues over those raised by the Paradise motion [R. 113]. No findings of fact

or conclusions of law were filed by Chief Judge Hall as to the question of infringement. However, the judgment entered declares Paradise not to have infringed the Carrier patent [R. 100].

Specification of Errors.

1. The Trial Court erred in holding that there was no genuine issue as to any material fact which would defeat the Paradise motion for summary judgment.

2. The Trial Court erred in dismissing for lack of jurisdiction the unfair competition claim of Wham-O.

3. The Trial Court erred in holding that the United States Patent Office did not consider the most pertinent prior art in issuing the Carrier patent.

4. The Trial Court erred in finding that the United States Patent Office did not consider patents relating to lawn soakers in issuing the patent in suit.

5. The Trial Court erred in finding that the Carrier patent described and claimed "the combination of an elongate flexible strip which serves as a body planing area when wet, with a flexible water conduit being connected to one side of said strip for wetting the same, which strip and conduit are sufficiently flexible as to conform to irregularities in the ground surface upon which they are laid".

6. The Trial Court erred in holding that claims 1 through 6 inclusive of the Carrier patent were "invalid for want of invention, for the alleged invention claimed therein was obvious to one skilled in the art".

7. The Trial Court erred in holding that claims 1 through 6 inclusive of the Carrier patent were "invalid

because they purport to cover the old combination of a planing strip and a flexible water conduit to wet the same without providing any change in the function of the elements of the combination and without any new, surprising or unexpected result”.

8. The Trial Court erred in entering judgment that Paradise had not infringed any of the claims of the Carrier patent.

Summary of Argument.

a. Effect of Cross Motions for Summary Judgment.

Although both parties move for summary judgment, it does not follow that such cross motions support the trial court in granting the summary judgment motion of either party, unless one of the moving parties is entitled to judgment as a matter of law upon facts that are not genuinely disputed. A party may make concessions for the purpose of his motion that do not carry over and support the motion of his adversary.

b. On Summary Judgment, All Doubt Must Be Resolved Against the Moving Party.

On motion for summary judgment, the moving party must support his motion with sufficient evidence to remove all doubt as to the facts involved. Any doubt must be resolved against the moving party. That portion of the moving party's presentation which is not proper evidence must be disregarded. In patent suits, there is a particularly heavy burden on a party moving for invalidity, due to the nature of the subject matter and the presumption of validity. Such is especially true in a motion for patent invalidity on the grounds of obviousness or lack of unexpected result, due to the expertise of the Patent Office in these matters.

c. A Patent Is Always Presumed Valid.

A patent is presumed valid as a result of issuance by the Patent Office. The presumption of validity of a patent would be meaningless if the presumption were capable of being overcome merely by the citation of a relevant prior patent or a prior device not formally listed in the issued patent as a reference. Rather, the rule is that the presumption of validity always applies, but if it is shown that the Patent Office did not have before it one or more prior patents *which are substantially the same as the patent in suit*, the presumption may be rebutted.

d. Failure to Cite Does Not Mean Failure to Consider.

Obviously, the Patent Office cannot cite all relevant art which exists in the Patent Office, but rather, cites only the most pertinent art. The failure of the Patent Office to cite a prior patent as a reference can logically lead to one of two conclusions, either (1) that the patent or the structure disclosed therein was not considered by the Patent Office, or (2) that the patent or the structure disclosed therein was considered by the Patent Office and as a result of such consideration was not found to be of sufficient pertinence to warrant citation as a reference. Since the Patent Office is deemed to be expert in its field, the former conclusion should be reached only when the patent or the structure, which is asserted as a reference not considered, is such as to be more pertinent than any reference or combination of references cited, *i.e.*, sufficient as a primary reference to anticipate the patent in suit. Where the prior patent or the structure described therein is merely cumulative, such as not, of itself, to negative patentability, and

particularly, where the structure is so well known as to be capable as having judicial notice taken of its existence, the latter conclusion should be reached, that is, the patent or structure was considered and not found of sufficient pertinence to negative patentability or warrant listing in the issued patent.

e. Failure of the Trial Court to Appreciate the Nature or Field of the Invention.

That the trial court failed to appreciate the nature and context of the Carrier patent is amply demonstrated by its characterization of the invention in Finding I of its Findings of Fact [R. 98]. In this characterization, the trial court overlooks those structural features which make the invention a successful toy, and rather attempts to characterize the invention in terms of the prior art which was never successful as a toy. Such is assuming the result. The only "expert" evidence supporting the holdings of the trial court, the Roberts affidavit [R. 24-27], is incompetent as expert or opinion evidence on its face. There is qualified expert evidence to the contrary [R. 71-75]. Thus, a material issue of fact exists upon which reasonable minds apparently may differ. Nowhere in the prior art relied upon by Paradise is there any inference that the art should be combined in such a manner as that claimed in the Carrier patent. There are no findings as to the manner or teaching of such a combination. It may appear that the invention is so simple as to be readily understood. However, the lack of findings as to commercial success

and copying by Paradise, lack of consideration of the failure of the prior art to teach the *claimed* structure, and lack of a finding as to in what purported combination the prior art rendered the Carrier patent invalid, clearly show that the trial court was not of sufficient expertise *in the field of the invention* to properly evaluate the claims with respect to a summary judgment holding of patent invalidity, at least on the evidence presented by Paradise. Therefore, unless all patents for toys are, in this Circuit, invalid *per se*, the trial court erroneously applied the law to the facts, when viewed most favorably to Wham-O, in holding that the patent Office failed to consider the *most pertinent* prior art and that the patent was invalid.

f. **Lack of Factual Support for the Judgment of Non-Infringement.**

Unless the judgment of non-infringement by Paradise of the Carrier patent is based upon an unstated conclusion of law that an invalid patent cannot be infringed, such a judgment is clearly not supported by the findings. If such judgment is based on the aforesaid rule, then it is clearly within the province of this Court to reverse, together with the reversal of the holding as to patent validity. As to the evidence presented to the trial court, there was evidence presented on behalf of Wham-O as to a comparison of the claims of the patent in suit and the Paradise device [R. 73-74]. The only evidence presented by Paradise with respect

to non-infringement is a statement as to only one of the six claims of the patent [R. 26]. Therefore, unless based upon an unstated conclusion of law, there is no factual support for the finding of non-infringement and such should be reversed. In any event, reversal of the holding as to patent invalidity requires reversal of the judgment of non-infringement on motion for summary judgment.

g. Dismissal of the Unfair Competition Claim for Lack of Jurisdiction.

Section 1338(b) of Title 28, United States Code, is a jurisdictional statute, conferring jurisdiction on the district courts to hear unfair competition claims when joined with patent claims which are substantial and related. "Substantial" means claims which are not collusive or obviously not of merit at the time of filing of the action. "Related" means relating to the same subject matter. That a patent is subsequently held invalid is not a ground for ousting the district court from its jurisdiction over the unfair competition claim, for such jurisdiction, once acquired, is not lost by subsequent events. Therefore, the trial court could not properly, on its own motion, dismiss the unfair competition claim for lack of jurisdiction.

ARGUMENT.

I.

The Court Erroneously Interpreted the Cross Motions for Summary Judgment as a Concession by Wham-O That There Were No Issues of Fact With Respect to the Paradise Motion.

As was stated by Judge Frank in the leading case of *Walling v. Richmond Screw Anchor Company*, 154 F. 2d 780 (2 Cir. 1946), at page 784:

“It does not follow that, merely because each side moves for a summary judgment, there is no issue of material fact. For, although a defendant may, on his own motion, assert that, accepting his legal theory, the facts are undisputed, he may be able and should always be allowed to show that, if plaintiff’s legal theory be adopted, a genuine dispute as to a material fact exists. As judgment here was on plaintiff’s motion, we must therefore decide whether, adopting its legal theory, there was no such dispute.”

Amplifying this statement, another court later said:

“The fact that both parties make motions for summary judgment, and each contends in support of his respective motion that no genuine issue of fact exists, does not require the Court to rule that no fact issue exists. Each, in support of his own motion, may be willing to concede certain contentions of his opponent, which concession, however, is only for the purpose of the pending motion. If the motion is overruled, the concession is no longer effective. Appellants’ concession that no genuine issue of fact existed was made in sup-

port of its own motion for summary judgment. We do not think that the concession continues over into the Court's separate consideration of appellee's motion for summary judgment in his behalf after appellants' motion was overruled. *M. Snower & Co. v. United States*, 7 Cir., 140 F.2d 367, 369; *Walling v. Richmond Screw Anchor Co.*, 2 Cir., 154 F.2d 780, 784."

Begnaud v. White, 170 F. 2d 323, 327 (6 Cir. 1948).

In the case at bar, Paradise initially moved for summary judgment [R. 20] and its proposed Findings of Fact and Conclusions of Law were adopted by the court [R. 96]. The court found as a fact that the Patent Office did not consider the Summers patent or other patents relating to flexible lawn soakers. The Court made no express finding as to whether or not those particular patents were the most pertinent prior art, although holding that the Patent Office did not consider the most pertinent prior art. Wham-O, in its Plaintiff's Memorandum of Law in Opposition to Defendant's Motion For Summary Judgment [R. 84], pointed out in paragraph I thereof that the Paradise motion, on its face, raised questions of fact as to whether the Summers patent was the most pertinent prior art and whether the Summers patent was considered by the Patent Office. Therefore, the Paradise motion raised questions of fact which were in dispute and the motion should have been denied. The Wham-O motion, on the

other hand, was a motion for summary judgment for patent infringement and patent validity, and, for the purposes of the motion, conceded that the Summers patent and lawn soakers patents were not considered by the Patent Office. As a necessary corollary, such concession included the Summers patent and lawn soakers to be prior art of sufficient pertinence to upset the presumption of validity. However, a question of law remained as to whether such prior art, even under these concessions, was sufficient to invalidate the Carrier patent when viewed most favorably to Paradise. If not sufficient, the Wham-O motion should have been granted. If sufficient to raise an issue of fact as to the prior art teaching or the improvement of the patent, the Wham-O motion should have been denied. But denial of the Wham-O motion did not mean that the Paradise motion must be granted. To grant the Paradise motion on the finding that no material facts were in issue was error, and must be reversed.

II.

Any Doubt as to Any Material Issues of Fact Raised by the Paradise Motion for Summary Judgment Must Be Resolved Against Paradise.

The Supreme Court recently had occasion to consider Rule 56 motions for summary judgment and stated, with respect to the granting of such a motion:

“It may be that upon all of the evidence a jury would be with the respondents. But we cannot say on this record that ‘it is quite clear what the truth is.’ Certainly there is no conclusive evidence supporting the respondents’ theory. We look at the record on summary judgment in the light most

favorable to Poller, the party opposing the motion, and conclude here that it should not have been granted.”

Poller v. Columbia Broadcasting System (1962)
368 U. S. 464, 472-3, 7 L. Ed. 2nd 458.

In this case, the Court also stated:

“Summary judgment should be entered only when the pleadings, depositions, affidavits, and admissions filed in the case ‘show that (except as to the amount of damages) there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.’ Rule 56(c), Fed. Rules Civ. Proc. This rule authorizes summary judgment ‘only where the moving party is entitled to judgment as a matter of law, where it is quite clear what the truth is . . . (and where) no genuine issue remains for trial . . . (for) the purpose of the rule is not to cut litigants off from their right of trial by jury if they really have issues to try’. *Sartor vs. Arkansas Natural Gas Corp.* 321 US 620, 627, 88 L. Ed. 967, 972, 64 S.Ct. 724 (1944). We now examine the contentions of the parties to determine whether under the rule summary judgment was proper. . . .”
Poller v. Columbia Broadcasting System, supra, at page 461.

It is, of course, within the province of the appellate court to find error as to a trial court finding that no material issue of fact remained which would preclude the granting of a motion for summary judgment. *Cohu Electronics, Inc. v. Neff Instrument Corporation*, 269 F. 2d 668, 674 (9 Cir. 1959).

This court recently had occasion to review a summary judgment holding of patent invalidity under circumstances somewhat similar to those of the present case. In *Hughes Blades, Inc. v. Diamond Tool Associates*, 300 F. 2d 853 (9 Cir. 1962), this court said, at page 854:

“As this court stated in *Cee-Bee Chemical Co., Inc. v. Delco Chemicals, Inc.* 9 Cir., 1958, 263 F. 2d 150, 152: ‘If the conclusions reached by the trial court required it to first resolve a genuine issue as to a material fact, the case should not have been disposed of on a motion for a summary judgment.’ Appellants assert that many factual considerations are essential before a conclusion can be reached that an improvement was obvious. They cite *Safety Car Heating & Lighting Co., Inc. v. General Electric Co.*, 2 Cir., 1946, 155 F.2d 937, 939, where Judge Learned Hand stated: ‘Courts, made up of laymen as they must be, are likely either to underrate, or to overrate, the difficulties in making new and profitable discoveries in fields with which they cannot be familiar; and, so far as it is available, they had best appraise the originality involved by the circumstances which preceded, attended and succeeded the appearance of the invention. Among these will figure the length of time the art, though needing the invention, went without it: the number of those who sought to meet the need, and the period over which their efforts were spread: how many, if any, came upon it at about the same time, whether before or after: and — perhaps most important of all — the extent to which it superseded what had gone before.

We have repeatedly declared that in our judgment this approach is more reliable than a priori conclusions drawn from vaporous, and almost inevitably self-dependent, general propositions.' No findings were made upon any of these matters and the patent office's implicit determination that patentable novelty existed would suggest that these considerations present issues upon which reasonable minds may well differ."

This court then proceeded to point out that the trial court had apparently found that the presumption of validity did not apply in the *Hughes* case, since the Patent Office had failed to cite two patents, one of which the trial court expressly excluded from consideration in granting of motion for summary judgment. As to the other patent, the appellate court found that the patent appeared to "attack a problem entirely different from that with which the present patent is concerned". It would, thus, seem to be the rule that, where patents relied upon as overcoming the presumption of validity are not related to the same problem as is attacked by the patent in suit, reasonable minds might well differ as to the pertinency of such patents. A trial on the merits is therefore appropriate, rather than the granting of a motion for summary judgment.

The sole evidence, other than the patent exhibits, introduced by Paradise in support of its motion for summary judgment consists of the affidavit of Mervyn B. Roberts [R. 24]. Mr. Roberts is stated to be the vice president of Paradise. No other qualifications for Mr. Roberts are stated. Such are hardly qualifications to support testimony as to legal conclusions. Mr. Rob-

erts' affidavit, however, consists principally of statements of conclusions of law, as to validity, structure, infringement, applicability of prior art, pertinency of prior art, and similar matters. Such is obviously incompetent evidence in support of a motion for summary judgment, since Roberts does not qualify as an expert. *Survass & Co., Inc. v. Dritz*, 185 Fed. Supp. 61 (D.C. N.Y. 1960).

Furthermore, the Ninth Circuit has adopted the rule that summary judgment is not appropriate in a patent case where the opinion of an expert as to prior patents is met by a contrary opinion. *Bowers v. E. J. Rose Mfg. Co.*, 149 F. 2d 612 (9 Cir. 1945). Such a contrary affidavit is present [R. 71-75].

The *Bowers* case, *supra*, would also preclude the granting of the motion where the affiant is the defendant and states his belief that the patent is invalid. In the final paragraph of the Roberts affidavit [R. 27], Roberts states that he does not believe the common characteristics of the Carrier patent and the Paradise device to be patentable inventions, and further describes a manner in which the *result* "attained by the use of defendant's aquatic toy above described could also be obtained. . . ." Obviously, the patent in suit does not patent a result, but patents a device. Any doubt as to Roberts' competency as a patent expert is thus clearly dissipated. Therefore, the only competent evidence before the trial court supporting the motion for summary judgment of Paradise consisted of the patents attached to the Roberts affidavit, the issuance of which not being contested. These patents are insufficient, as a matter of law, to carry the motion, and therefore the granting of the motion was error.

III.

The Carrier Patent Is Entitled to a Presumption of Validity Over the Summers Patent or Other Patents Relating to Flexible Lawn Soakers.

The issuance of a patent carries with it a presumption as to its validity. *Neff Instrument Corporation v. Cohu Electronics, Inc.*, 298 F. 2d 82, 86 (9 Cir. 1961), and cases therein cited. This presumption can only be overcome by clear and convincing proof. *Neff v. Cohu, supra.*

This court recently had occasion, in a per curiam opinion, to set out the law as to motions for summary judgment, with respect to the presumption of validity. In *Beatty Safway Scaffold Co. v. Up-Right, Inc.*, 306 F. 2d 626 (9 Cir. 1962), this court, at page 628, stated:

“ . . . The rule is that the presumption always applies, but when it is shown that the Patent Office did not have prior patents before it, such patents may rebut the presumption of validity. This depends, of course, upon whether the undisclosed prior patents are substantially the same as the later patent in question. Thus, at the outset the presumption is still applicable. It remains to be seen whether that presumption has been rebutted by an undisclosed and significant prior patent.” (Emphasis added).

If the presumption of validity is to have any meaning at all, it must be interpreted as set out in the preceding quotation, that is, the prior art relied upon to overcome the presumption can substantially meet the patent in question. The Summers patent is the only

new patent cited by Paradise in its motion for summary judgment. What other lawn soaker patents may show is therefore not a matter in evidence, and the total teaching, relating to lawn soaker patents, in order to rebut the presumption of validity, must be found in the Summers patent, unless judicial notice is taken of lawn soakers or leaking water hoses [R. 120].

The Summers patent [R. 35-37] has now expired, and there is no evidence of record that the Summers patent was ever embodied in a commercial device. The Summers patent relates to a garden hose sprinkler which utilizes "a hose section 1, made of flexible material, as is common in garden hose" (p. 1, column 1, lines 35-36) [R. 36], through which extend a number of metal nozzles 5, held by cement (p. 1, column 1, lines 40-47) [R. 36]. These nozzles 5 have enlarged heads, the purpose of which is to strengthen the general construction and *afford an increased, wear-resistant, metal area* on the outer surface of the hose section (p. 1, column 2, lines 3-4) [R. 36].

A review of the Summers patent indicates that the Summers patent is concerned with the shape and use of these metal nozzles, not body planing or even toys in general. Thus, Summers is of little pertinence with respect to the Carrier patent. Yet, the trial court *finds* that the Patent Office did not consider the Summers patent or other soaker hose patents, and *holds* that the failure of the Patent Office to consider the most pertinent prior art (by implication, Summers?), sufficient to upset the presumption of validity of the Carrier patent.

But it cannot be properly contended, much less supported, *on summary judgment*, that the Summers patent or other lawn soaker patents not in evidence are substantially the same as the Carrier patent. Even the most cursory comparison of the two patents reveals that the only similarity between the two relates to the spreading of water. Such a slight similarity is insufficient to meet the requirements for rebutting the presumption of validity. Therefore, the Carrier patent is entitled to its presumption of validity with respect to the Summers patent, or other lawn soaker patents, on summary judgment, even if it were found as a fact that the Patent Office failed to consider the Summers patent, since lawn soakers are not, in themselves, sufficient to anticipate the Carrier patent. The holding that the presumption of validity had been overcome is therefore erroneous, and must be reversed.

IV.

The Failure of the Patent Office to List the Summers Patent as a Reference in the Issued Carrier Patent Does Not Mean That the Patent Office Failed to Consider Either the Summers Patent or Lawn Soakers.

The examination by the Patent Office of a patent application involves the assignment of the patent application to an examiner, who conducts a search in the appropriate areas of prior art to determine the most pertinent prior art. The Patent Office is divided into various divisions specializing in particular fields, and the Carrier application was assigned to Mr. F. B. Leonard, an examiner in Division 62. Mr. Leonard has been a patent examiner for approximately sixteen

years [R. 72]. During the prosecution of the application, Carrier's attorneys conducted a personal interview with Mr. Leonard and, in addition, with his supervisor, Mr. F. W. Varner, the Acting Primary Examiner of Division 62. Mr. Varner has been a patent examiner for approximately eighteen years.

Each of the patents contained in the Paradise motion for summary judgment, with the exception of the Summers patent, was discussed during this interview with Mr. Leonard, in addition to twenty other patents [R. 77]. A list of classes and sub-classes of patents which Carrier had caused to be searched was submitted [R. 77]. Each of these twenty-four patents was considered by Mr. Leonard, and yet, only four of the twenty-four were listed as references in the issued patent [R. 44].

While Wham-O did not offer proof that the Summers patent, or lawn soaker patents, were actually considered by the Patent Office, the only proof which Paradise offered that such patents were not considered by the Patent Office was the lack of a citation of such a patent as a reference in the issued Carrier patent. Wham-O proved, at least for the purposes of the Paradise summary judgment motion, that many patents were considered in the interview between the Carrier attorneys and the examiner. These patents were pertinent, and were not cited as references in the issued Carrier patent. Thus, Paradise failed to sustain the burden of proof, imposed on a moving party as to summary judgment, with respect to finding that neither Summers patent nor lawn soaker patents were considered by the Patent Office. Paradise cannot require

Wham-O to make an affirmative showing in order to defeat the Paradise motion, for the burden of proving invalidity of a patent rests upon the party asserting invalidity. *Patterson-Ballagh Corp. v. Moss*, 201 F. 2d 403, 406 (9 Cir. 1953). Therefore, the failure of the Patent Office to cite a patent does not, of itself, warrant a finding of fact, on motion for summary judgment, that the patent has not been considered, or that the patented structure has not been considered.

In this particular instance, the Summers patent is of doubtful pertinence with respect to the Carrier patent. The Summers patent relates to a device for spraying water. Such devices are well known, and in fact, both parties concede that soaker hoses, in general, are of such notoriety as to permit the court to properly take judicial notice of them. But the Patent Office is deemed to be an expert in the field of prior art, *Patterson-Ballagh Corp. v. Moss, supra*, and if such devices are so well known as to enable the court to take judicial notice of them, certainly the presumption exists that the Patent Office considered them. The presumption is reinforced where, as here, two examiners were involved and each was a man of long Patent Office experience. Thus, were the Summers patent, of itself, and were lawn soakers, by themselves, sufficient to anticipate the Carrier patent, the presumption of validity might be rebutted on the ground that, being an obvious anticipation, they were missed by the Patent Office in searching the pertinent prior art, rather than having been considered. But where the art alleged not to have been considered is not anticipa-

tory of the patent, but merely cumulative, such an argument should not prevail, since it is just as reasonable to conclude that such prior art patents, or devices, were considered and were cast aside by the Patent Office as not being pertinent. *Adler Sign Letter Co. v. Wagner Sign Service*, 112 F. 2d 264 (7 Cir. 1940), *Artmoore Co. v. Dayless Mfg. Co.*, 208 F. 2d 1 (7 Cir. 1953), *Helms Products v. Lake Shore Mfg. Co.*, 227 F. 2d 677 (7 Cir. 1956), *Anderson Co. v. Sears, Roebuck & Co.*, 265 F. 2d 755 (7 Cir. 1959).

Furthermore, not only the Patent Office, but also the search conducted for Carrier, did not consider the Summers patent to be of sufficient pertinence to warrant specific citation. Paradise did not offer any evidence as to the classification in the Patent Office of Summers or lawn soaker patents, or the classes searched by the Patent Office with respect to the Carrier application. The question as to their consideration by the Patent Office may well, therefore, be susceptible of proof. No such proof was, however, presented, so that, on the Paradise motion, resolving any doubt against Paradise requires a finding that the Summers patent and lawn soaker patents were considered by the Patent Office. Yet, the trial court made a contrary finding. Such finding was error. Where such finding was apparently the basis of the holding of invalidity, such holding must be reversed.

V.

The Trial Court, on Summary Judgment, in Holding the Carrier Patent Invalid as Obvious to One Skilled in the Art and as Covering an Old Combination, Failed to Appreciate the Scope of the Invention and the Teachings and Shortcomings of the Prior Art Relied Upon by Paradise.

In determining whether the motion for summary judgment was properly granted by the trial court, attention should be given to the findings of the trial court as to the subject matter of the claims. There follows a comparison of claim 1 of the Carrier patent [R. 44] with Finding 1 of the trial court [R. 98]:

Claim 1.

Finding.

A portable aquatic play device for body planing, comprising

a unitary, film-like flexible strip

an elongate flexible strip

having a first surface frictionally engageable with the ground when the strip is extended so as to inhibit relative movement therebetween

and a second flat and smooth surface being water impervious and forming a body planing area when the strip is so extended

which serves as a body planing area when wet

a water conduit connected to the strip

with a flexible water conduit being connected to one side of said strip

said conduit having means for wetting the same for applying water to the body planing area of said second surface when the strip is extended

said strip being of a selected thickness, flexibility and weight so as to conform to irregularities of the ground when extended which strip and conduit are sufficiently flexible as to conform to irregularities in the ground surface on which they are laid

and when in storable condition to provide for the facile carrying thereof by a user.

This comparison clearly shows that the trial court has eliminated essential features of the patent claim in making its finding as to the subject matter of the claim. Thus, there is completely eliminated the provision as to the thickness, flexibility and weight of the strip to provide for facile carrying by the user when in a storable condition, *i.e.*, folded. Similarly, the court has imported into claim 1 the limitation that the water conduit be flexible. This limitation is clearly absent from claim 1. Such importation of a limitation can only be an effort to support a finding that the Summers patent was not considered by the Patent Office so as to upset the presumption of validity. It will be noted that the requirement of flexibility first appears in claim 5 as an inherent feature of folding over the plastic material forming the strip [R. 44]. That the water conduit need not be flexible can be readily seen from the subject matter of claim 3, wherein the conduit extends transversely across the body plan-

ing area. Thus, a rigid conduit according to claim 3 can be incorporated with the film-like strip and still conform to the other elements of the claim. The court must, therefore, have found, as a fact, that the plaintiff was not entitled to the scope of invention claimed in claim 1, although no such basis for such finding appears in the record. Wham-O obviously did not assent to such a finding.

Furthermore, it will be noted that the description of the strip, itself, in Finding 1, eliminates the claim requirement that the strip be unitary and film-like, and substitutes for this requirement the word "elongate". Clearly, then, the court has made some type of factual determination. That such a factual determination involves matters in dispute is clearly apparent from the claim, the finding, and Wham-O's proposed Finding 2 [R. 67-68]. Finding 2 conforms substantially to the language of the claim and contains each of the limitations of the claim just referred to. Whether or not these limitations are pertinent subject matter of the claims is therefore clearly in dispute, and a finding ignoring such limitations is not warranted on summary judgment.

Furthermore, the characterization in the court's finding as to the claimed subject matter, with the exception of the conduit being flexible, should be compared with the remarks made during the prosecution of an application. Thus, the remarks point out that both Ridgway [R. 28-31] and Castberg [R. 32-34] teach elongate, flexible strips and that Rohmer [R. 38-40] teaches a slide using a water film formed thereover. Rohmer further teaches applying the water from either the side (Fig. 4) or the end (Fig. 2). Thus, the

Patent Office clearly was not concerned with whether the water conduit was flexible and yet, the finding of the court is that the Patent Office failed to consider the most pertinent prior art, apparently finding such prior art to be flexible lawn soakers. That such prior art could not be vinyl plastic, unless the finding is obviously erroneous, is shown by comparing Findings 5 and 6, and page 3, lines 17-24 [R. 26] and Exhibit F [R. 45-46] of the Roberts affidavit with the Carrier patent. Thus, the Carrier patent at column 3, lines 33-35 [R. 43], lists as the first example of the strip material, a vinyl plastic film, the same film as is used by Paradise [R. 45]. Vinyl film was therefore obviously considered by the Patent Office. But Carrier made no claim as to having been the discoverer of such vinyl plastic film, and those skilled in the art, as are the examiners in the Patent Office, were well aware of the fact that such vinyl film is a conventional material. Therefore, any finding that the Patent Office failed to consider vinyl material is obviously untenable, or clear error.

It must be, then, that the trial court found the Summers patent to be the most pertinent patent, in holding that the Patent Office had not considered the most pertinent prior art, if such holding is to have any support in the evidence. However, the pertinency of the Summers patent was, itself, by Paragraph I of PLAINTIFF'S MEMORANDUM OF LAW IN OPPOSITION TO DEFENDANT'S MOTION FOR SUMMARY JUDGMENT [R. 86], a fact placed in dispute by Wham-O, as well as in the affidavit supporting the Wham-O motion for summary judgment [R.

72], and in Finding 4 of the Findings of Fact proposed by Wham-O in its motion for summary judgment [R. 68]. Furthermore, Finding 3 of the Wham-O proposed findings [R. 68] placed in issue the question as to whether or not the Patent Office had considered the most pertinent prior art. In ignoring the existence of these factual questions as to granting summary judgment to Paradise, the court ignored the restrictions with respect to Rule 56(c), F. R. C. P., as to issues of fact which are material, and in actuality, which issues the court found to be decisive. Therefore, the granting of the Paradise motion was improper, and should be reversed.

The impropriety of granting the Paradise summary judgment motion is further illustrated when it is recognized that the granting of the motion required the combination, for anticipation, of four patents. The Supreme Court long ago stated:

“Where the thing patented is an entirety, consisting of a single device or combination of old elements, incapable of division or separate use, the respondent cannot escape the charge of infringement by alleging or proving that a part of the entire thing is found in one prior patent or printed publication or machine, and another part in another prior exhibit, and still another part in the third one, and from the three or any greater number of such exhibits draw the conclusion that the patentee is not the original and first inventor of the patented improvement.”

Bates v. Coe (1878), 98 U. S. 31, 48, 25 L. Ed. 68.

Thus, the Supreme Court holds that where the device is a combination and not an aggregation, it is improper to resort to a mosaic of patents in order to piece together, in jigsaw puzzle fashion, the claimed structure. Paradise has not even been able to do this, but rather, was required to rely on the nebulous ground of "obviousness" in Conclusion of Law 3 [R. 100].

Referring to the Carrier patent, Carrier points out that the patent subject matter relates to a device for body planing [R. 42]. As conventionally practiced theretofore, body planing consisted of finding a body of water which was comparatively shallow, and then running and leaping so as to project the body in a horizontal plane, landing flat on the surface of the water and planing thereacross. Carrier points out that under optimum conditions, a person can plane a distance in excess of twenty feet (column 1, lines 35-39) [R. 42], but that such optimum conditions are difficult to find naturally. The Carrier invention is directed to solving this problem by providing an artificial structure which will provide such optimum conditions. Nowhere in the prior art relied upon by Paradise is there any discussion of the problems relating to body planing, much less any intimation that the prior art can be combined for use in such sport. Therefore, the Carrier patent should be considered to be a basic patent rather than a slight improvement over the prior art.

But, even if the improvement were held to have been slight, this Court has held that, although the improvement be slight, there is invention unless the means were clearly indicated by the prior art. *Pointer v. Six*

Wheel Corporation, 177 F. 2d 153, 161 (9 Cir. 1949). In so holding, the Court pointed out, that:

“ . . . invention cannot be defeated merely by showing that, in one form or another, each element was known or used before. *Hailes v. Van Wormer*, 1875, 20 Wall. 353, 22 L.Ed. 241, *Bas-sick Mfg. Co. v. R. M. Hollingshead Co.*, 1936, 298 U.S. 415, 425, 56 S.Ct. 787, 80 L.Ed. 1251; *Kings County Raisin & Fruit Co. v. U. S. Con-solidated Seeded Raisin Co.*, 9 Cir., 1910, 182 F.59; *Stebler v. Riverside Heights Orange Growers Ass’n*, 9 Cir., 205 F. 735; *Skinner Bros. Belting Co. v. Oil Well Improvements Co.*, 10 Cir., 1931, 54 F.2d 896, 898; *Halliburton Oil Well Cement-ing Co. v. Walker*, 9 Cir., 1944, 146 F.2d 817, 819.

“The question is: Did anyone before think of combining them in this manner in order to achieve the particular unitary result, a new function? If not, there is invention. *Keystone Mfg. Co. v. Adams*, 1894, 151 U.S. 139, 14 S.Ct. 295, 38 L.Ed. 103; *Faries Mfg. Co. v. George W. Brown & Co.*, 7 Cir., 1902, 121 F.547; *Lincoln Engineering Co. of Illinois v. Stewart-Warner Corp.*, 1938, 303 U.S. 545, 549, 58 S.Ct. 662, 82 L.Ed. 1008; *Lin-coln Stores v. Nashua Mfg. Co.*, 1 Cir., 1947, 157 F.2d 154, 162.”

Pointer v. Six Wheel Corporation, *supra*, at page 160.

The present case provides an instance in which there is a clear absence of evidence as to anyone devising the patented structure prior to Carrier. Paradise seeks

to show obviousness by merely combining separate elements, but such does not meet the burden of proof required of Paradise upon its motion for summary judgment. Hindsight is not a proper basis for determining patentability. The granting of such motion was therefore erroneous.

As has been pointed out in many decisions of the Court of Customs and Patent Appeals, for example, *In re McKenna et al.*, 203 F. 2d 717 (C. C. P. A. 1953); *In re Pennington*, 241 F. 2d 750 (C. C. P. A. 1957), the recognition of a deficiency in the prior art, in this case, the natural conditions seldom occurring for body planing, with the concept of how to overcome the same, is frequently the *essence* of patentability. Under the facts of the instant case, only Carrier recognized these deficiencies and suggested the concept of how to readily provide optimum body planing conditions by use of the patented structure. Such structure therefore constitutes invention, at least, insofar as presenting material issues of fact sufficient to require denial of the Paradise motion for summary judgment. Failure to deny the motion was therefore error.

Conclusion of Law 4 holds that the Carrier patent claims cover an old combination. Yet, there is no finding as to the existence of such combination in any of the prior art. Similarly, Conclusion of Law 4 states that the combination does not provide any change in the function of the elements and is without any new, surprising or unexpected result. However, there is no finding to support such a holding, since there is no finding as to what patentee did with respect to the prior art, as is required. *Cee-Bee Chemicals Company v.*

Delco Chemicals, Inc., 263 F. 2d 150 (9 Cir. 1959). Obviously, the rule of *Cee-Bee* is appropriate in the present instance, since it cannot be disputed that a strict anticipation of the Carrier patent *does not exist* in the prior art relied upon. Therefore, the trial court should not have determined, by summary judgment, that the Carrier patent claimed an old combination, or that the Carrier patent produced no new, surprising, or unexpected results. To so hold was error, and must be reversed.

The trial court in Conclusion of Law 3 held the patent to be invalid for want of invention as being obvious to one skilled in the art. The impropriety of reliance on the ground of obviousness has already been discussed heretofore. A study of the prior art patents with respect to the Carrier patent fails to furnish sufficient factual support for such a conclusion. If commercial success is ever to be of significance, it should be of significance with respect to the ground of obviousness for invalidity on motion for summary judgment. Thus, if the invention were obvious, particularly, to one skilled in the art, it would have obviously been made long before the filing of the Carrier patent. Commercial success with respect to the patented device is present [R. 83]. Paradise introduced no evidence controverting commercial success, and by copying the patented device would seem to, in fact, augment the commercial success. The commercial success of the toy is,

therefore, a relevant fact showing that the invention was not obvious. *Moist Cold Refrigerator Co. v. Lou Johnson Co.*, 249 F. 2d 246 (9 Cir. 1957).

Furthermore, the patents, themselves, do not furnish any logical combination, much less an obvious combination, of the device shown in the Carrier patent. The Carrier patent is a toy. The prior art relied upon by Paradise, with exception of the Summers patent, are also toys. The Rohmer patent [R. 38-40] relates to a water slide. Whether or not the body planing of the Carrier patent is the same as the sliding shown in the Rohmer patent is arguable, but need not be of concern at this point.

Rather, what is of concern, is the combination of the remaining prior art patents relied upon with the Rohmer patent. The Castberg patent [R. 32-34] shows a sliding surface resting upon the ground. But the sliding surface is not a unitary, film-like strip as required by the Carrier patent. Nor is the Castberg device such as, when placed in storable condition, to provide for the facile carrying by a user. Thus, the only teaching of the Castberg patent is to place a ski surface on the ground, but in a down-hill position. The Ridgway patent [R. 28-31] relates to a metal strip that is flexible, longitudinally, and is supported only at the ends. The Ridgway device thus differs from the Rohmer device in that the Rohmer device is not flexible. Both devices are supported only at their ends. The Ridg-

way device further has sides 9 which also are of metal. Ridgway thus teaches a trough-like device composed of metal, the sides of which support the bottom. Such is hardly a device of a film-like strip, nor such a device as to provide for the facile carrying by the user. The Summers patent [R. 35] is a lawn soaker. But the Summers patent should be contrasted to the structure of the Carrier patent and the structure of the Paradise device. The Summers patent teaches the use of a thick walled hose having metal nozzles. Such would hardly be considered the equivalent of the actual structure utilized in the Carrier patent and in the Paradise device. No metal nozzles are used, nor is thick walled hose used; no couplings are used along the length of the hose.

Were any one of these patents sufficient in themselves to anticipate the Carrier patent, and particularly, if such patent had not been cited by the Patent Office, a finding of invalidity on summary judgment for obviousness might not be improper. But, here, the patents themselves contain no teaching of any logical combination such as to show the patented device, four patents are required to even teach the individual elements found by the trial court to be claimed, three of the four patents were cited by the Patent Office, and the fourth is no more than cumulative, as related to dependent claims. Certainly, the presumption of the expertise of the Patent Office is sufficient to overcome the holding of obviousness on summary judgment. If the holding of obviousness had been made after the trial, the lack of supporting evidence might not be considered fatal, but where the holding is made on sum-

mary judgment, in which the facts must be considered most favorable to the patentee, such a holding is erroneous and must be reversed.

Furthermore, there appears to be no contest as to the fact that the Paradise device is a copy of the Carrier patent [R. 48-62]. Copying is, itself, evidence of the validity of the patent. *The Filtex Corp. v. Amen Atiyeh*, 216 F. 2d 443, (9 Cir. 1954). Paradise, by means of the Roberts affidavit [R. 24-27], purports to be of long experience in the art. Paradise introduced no evidence showing that it had ever made its "Surf 'n Glide" prior to seeing either the patent or the Wham-O Slip 'n Slide. If the device were obvious to one skilled in the art, *i.e.*, Paradise, they would long ago have manufactured the device. Rather, by copying, they have added weight to the presumption of validity, which should certainly be sufficient to overcome any doubt as to the impropriety of granting the motion for summary judgment.

A consideration of the differences between the claims of the patent and the findings of the court, the teachings and shortcomings of the prior art and the teachings of the patent, and the copying of the patented device by Paradise, show that there were substantial issues of fact as to the scope of the prior art, the scope of the claims and equivalents, and the field of the invention, such as to require a trial on the merits before a holding of the Carrier patent invalid as either obvious or covering an old combination. The denial to Wham-O of the right to a trial on these issues was error, and must be reversed.

VI.

There Are No Findings of Fact or Conclusions of Law Sufficient to Support the Judgment of Non-infringement.

Paragraph 2 of the judgment [R. 100] decrees that Paradise has not infringed the Carrier patent. Admittedly, there is case law to the effect that an invalid patent cannot be infringed. *The Diversey Corporation v. Charles Pfizer and Co.*, 255 F. 2d 60 (7 Cir. 1958). However, the better course is to hold the patent invalid and to not reach the question of infringement, *Bergman v. Aluminum Lock Shingle Corp. of America*, 251 F. 2d 801 (9 Cir. 1957). Normally, infringement is a question of fact. If the facts are not in dispute, the question may become one of law. In such an instance, a comparison of the device alleged to infringe and the patent claims is required, together with an application of the rule of equivalency. *Hansen v. Colliver*, 282 F. 2d 66 (9 Cir. 1960), *Del Francia v. Stanthony*, 278 F. 2d 745 (9 Cir. 1960). There are no findings of fact or conclusions of law by the trial court as to infringement.

In the present proceedings, the only findings of fact which would relate to infringement are Findings 1 and 7 [R. 98-99], in which the trial court made findings as to the structure claimed in the Carrier patent and the structure of the Paradise device. There are no findings comparing the Paradise device to the Carrier patent, pointing out the differences between the device and the claimed subject matter, such as would warrant a finding of non-infringement.

The only evidence presented by Paradise supporting a finding of noninfringement is contained in one para-

graph of the Roberts' affidavit, which states that claim 5 of the patent requires the forming of the water conduit in a manner different from the manner in which the water conduit in the Paradise device is formed [R. 26, lines 11-16]. This is to be contrasted to the presentation as to infringement by Wham-O, in which claims 1, 2, 4, 5 and 6 of the Carrier patent are compared to the Paradise structure, and it is clearly pointed out wherein each of these claims is infringed [R. 73-75]. It is even pointed out in the record at this point that a feature claimed to be an exclusive Paradise feature is, in fact, described in the Carrier patent. As has been pointed out previously, the Court's characterization of the claims of the Carrier patent is erroneous, in that it overlooks essential elements of this patent. However, even following the Court's erroneous characterization of the claimed subject matter of the patent, it is clearly apparent that the structure of Finding 7 would constitute an infringement. Thus, there is not only infringement, but actual copying of the structure shown and described in the Carrier patent, as is clearly apparent from a comparison of the Paradise device with the Carrier patent.

Recalling that the judgment of noninfringement was entered on a motion for summary judgment, and recalling that the appellate court must view the record as most favorable to the appellant, it is clear that a judgment of noninfringement is without justification. It has been pointed out that the holding as to patent invalidity is improper, and therefore, the judgment as to infringement must be reversed and the matter remanded for trial, since such judgment is clearly erroneous.

VII.

A Holding of Patent Invalidity Does Not Deprive the District Court of Jurisdiction With Respect to the Claim for Unfair Competition.

In 1948, a statutory provision was enacted in the United States Code relating to jurisdiction of district courts with respect to unfair competition claims when joined with patent claims. This statute is §1338(b) of Title 28 and reads as follows:

“The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trademark laws.”

As far as can be determined, the Ninth Circuit has construed §1338(b) only once since its enactment. In that case, *Pursche v. Atlas Scrapper and Engineering Co.*, 300 F. 2d 467 (9 Cir. 1962), this court said, at page 483:

“There is some conflict among the circuits over the construction of the phrase, ‘related claim’ appearing in this statute; some require that ‘both the federal and non-federal causes rest on substantially identical facts’, (*Powder Power Tool Corp. v. Power Actuated Tool Co.*, 230 F.2d 409, 413 (7th Cir. 1956); *Landstrom v. Thorpe*, 189 F.2d 46 at 51 (8th Cir. 1951)) while others are satisfied if there exists a ‘considerable overlap in their factual basis’ and if a substantial amount of the evidence of one claim be relevant to the other. *Maternally Yours v. Your Maternity Shop*, 234 F.2d 538 at 544 (2d Cir. 1956); *Lyon v.*

Quality Courts United, 249 F.2d 790 at 795 (6th Cir. 1957); see also, Moore's Federal Practice, Vol. 1, pages 658 to 659."

The court then went on to say that, in the Ninth Circuit, the more liberal construction of the statute would be followed.

The claim for unfair competition in the present proceedings [R. 4-5] relates to the advertisement and sale by Paradise of an aquatic toy called "Surf 'n Glide". [R. 48-52, 57-59]. The unfair competition claim [R. 4-5] refers to the Surf 'n Glide toy of Paradise being sold in competition with the Wham-O Slip 'n Slide toy, which is manufactured under the Carrier patent. Therefore, the same product of Paradise which is alleged to infringe the patent is alleged to be the basis of the unfair competition claim. The Wham-O unfair competition claim, then, meets both the liberal test indicated to be followed in the Ninth Circuit and the more restrictive test rejected in *Pursche v. Atlas Scrapper and Engineering Co.*, *supra*. The unfair competition claim of Wham-O is therefore a related claim within the meaning of §1338(b).

The Ninth Circuit does not appear to have ever passed on the particular issue presented by the present proceedings, that is, whether the holding of patent invalidity deprives the district court of jurisdiction with respect to an unfair competition claim. This question was, however, recently considered in the Third Circuit in the case of *O'Brien v. Westinghouse Electric Corporation*, 293 F. 2d 1 (3 Cir. 1961). The *O'Brien* case involved claims for patent infringement and for unfair competition. The patent was held invalid by the trial

court on the ground of prior public use by Westinghouse, by whom the patentee-plaintiff was employed at the time of the invention. The trial court then dismissed the unfair competition claim for lack of jurisdiction under Title 28, §1338(b) on three grounds, only one of which is pertinent in the present matter. This ground was that the claim was not “substantial”, within the meaning of the statute, because of the patent’s invalidity. In holding that the dismissal of the unfair competition claim on this ground was improper, the Third Circuit said:

“The requirement that the patent claim be substantial is designed to preclude a collusive back door approach to the federal court. The mere fact that in the case at bar it has been held that O’Brien’s claim for patent infringement is not good because the patent was invalid, does not deprive the patent claim of jurisdictional substantiality. *Schreyer v. Casco Products Corp.*, 2 Cir., 1951, 190 F.2d 921, certiorari denied, 1952, 342 U.S. 913, 72 S. Ct. 360, 96 L. Ed. 683; *American Security Co. v. Shatterproof Glass Corp.*, D.C.D. Del. 1958, 166 F.Supp. 813, affirmed 3 Cir., 1959, 268 F.2d 769.

“In *American Security Co. v. Shatterproof Glass Corp.*, supra, Judge Steel correctly stated the test to be applied here, when he said:

‘Presumably §1338(b) means nothing more than the claim under the patent law must satisfy the test of substantiality generally exacted when a jurisdictional challenge is asserted in a federal court. In such instances the question is whether

the claim jurisdictionally assailed is “*obviously without merit*” or its unsoundness “*clearly results from previous decisions*” of the Supreme Court. *Levering & Garrigues Co. v. Morrin*, 1933, 289 U.S. 103, 105, 53 S.Ct. 549, 550, 77 L.Ed. 1062. Jurisdiction to adjudicate is wanting only where the federal claims stated in the complaint are so unsubstantial as “to be frivolous or * * * plainly without color of merit”. *Binderup v. Pathe Exchange*, 1923, 263 U.S. 291, 306, 44 S.Ct. 96, 98, 68 L.Ed. 308. If it appears that a plaintiff is “not really relying upon the patent law for his alleged rights” then the claim does “not really and substantially involve a controversy within the jurisdiction of the court”; otherwise jurisdiction exists regardless of whether the claim ultimately be held good or bad. *The Fair v. Kohler Die & Specialty Co.*, 1913, 228 U.S. 22, 25, 33 S.Ct. 410, 411, 57 L.Ed. 716’. (Emphasis Supplied.) 166 F. Supp. 813, 824.”

O'Brien v. Westinghouse Electric Corporation,
supra, at pages 11, 12.

The tests set out in the *O'Brien* case are clearly met in the present matter. Wham-O was not relying principally upon its unfair competition claim and using the patent claim as a means of access to the federal court. Wham-O is the owner of an issued patent and, therefore, the claim cannot be “without color of merit”. The patent had never before, or since, been held invalid. Therefore, the holding of patent invalidity did not serve to deprive the patent claim of jurisdictional substantiality, such as to warrant its dismissal.

An analogous situation as to dismissal for want of jurisdiction exists with respect to the diversity of citizenship jurisdictional provisions of Title 28, United States Code, *i.e.*, Section 1332. For more than a hundred years, it has been the rule in diversity cases that jurisdiction depends upon the citizenship of the parties at the time of filing the suit and no subsequent change as to citizenship takes away jurisdiction. *Mollan v. Torrance* (1824), 9 Wheat. 537, 6 L. Ed. 154. See also *Smith v. Sperling* (1957), 354 U. S. 91, 1 L. Ed. 2d 1205.

The trial court, however, in its order, dismissed the unfair competition claim on its own finding of “no jurisdictional support in 28 U. S. C. 1338(b) inasmuch as judgment goes against plaintiff on the first account and hence there is no ‘substantial and related claim’ under the patent laws to support the jurisdiction of the unfair competition count.” [R. 96-97]. But, there was a substantial and related claim under the patent laws at the time of filing of the action, since Wham-O was the owner of the issued patent which had never been held invalid and which was not utilized in a “collusive back door approach” to the federal court. Therefore, the unfair competition claim was not frivolous or plainly without merit, nor did its unsoundness clearly result from previous decision. The claim was, then, a substantial claim, under the rule of *O’Brien v. Westinghouse Electric Corporation*, *supra*, and was a related claim under the rule of *Pursche v. Atlas Scraper and Engineering Co.*, *supra*. To dismiss the claim for want of jurisdiction was error and its dismissal must be reversed and the claim reinstated and the matter remanded to the district court for trial.

Conclusion.

For all of the reasons set out above, it is respectfully submitted that the trial court erred in holding the claims of the Carrier patent invalid and not infringed on a motion for summary judgment. It was both legal and factual error to hold that these claims were not supported by a presumption of validity merely because the Patent Office had not formally cited the Summers patent. This prior art patent is clearly less pertinent than the patents cited by the Patent Office, and is at most merely cumulative. At the very least, this question itself was a triable issue.

Since the interpretation of the claims was shown to be a matter that was in dispute, the court erred in failing to hear evidence before construing them. The issue of how the claims should be construed is of necessity preliminary to the issue of whether the language of the claims describes only elements and structural relationships which are found in the prior art. In any event, there was no evidence before the court that the specific combination of the claims was anticipated by the prior art patents. It was obvious error for the trial court to so conclude on the basis of a purported comparison between the Carrier combination and these prior art patents, which comparison referred to only certain elements while completely ignoring the vital distinguishing features of the Carrier combination.

The trial court manifestly erred in deciding contested issues of fact without benefit of trial. Appellant was given no opportunity to present evidence in support of the validity of its patent. There was no trial on the material issues of whether the Carrier combination

was non-obvious, and whether the combination involves a new functional relationship which produces new and unexpected results. Nevertheless, the court entered findings of fact which conclusively adjudicated these issues against appellant.

The judgment declaring Paradise not to have infringed the Carrier patent was not based on any comparison of the Paradise device with the Carrier patent, and no findings or conclusions supporting such a judgment were filed by the trial court. Such a conclusive adjudication of a contested issue on summary judgment, unsupported by the facts, is reversible error.

Any doubt on the matter of whether triable issues were involved should be resolved in favor of Wham-O as the party resisting the motion for summary judgment, *Hazeltine Research v. General Electric Co.*, 183 F. 2d 3, 7 (7 Cir. 1950). As held in the *Hazeltine* case, appellant should have been given an opportunity to make a record in the District Court so that the issue of validity "may be adequately investigated."

The dismissal of the claim for unfair competition for lack of jurisdiction is manifestly erroneous, as contrary to the provisions of 28 U. S. C. §1338(b). A substantial and related patent claim existed at the time of filing of the action, and any subsequent events could not deprive the District Court of its jurisdiction over the unfair competition claim.

The relief which appellant seeks is to have this Court reverse the wrongful invalidation of the Carrier patent on summary judgment and judgment that Paradise had not infringed the claims of the Carrier patent,

and reverse the dismissal of the unfair competition claim for lack of jurisdiction, and to remand this case for further proceedings.

Respectfully submitted

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Attorneys for Plaintiff-Appellant,
Wham-O Mfg. Co.

Certificate.

I certify that, in connection with the preparation of this brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that in my opinion, the foregoing brief is in full compliance with those rules.

ROBERT R. THORNTON

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APPENDIX.

Table of Exhibits.

[Explanatory Note: All exhibits were introduced by attachment to documents on file, and were not assigned the usual serial exhibit numbers or letters. Under the "Identification" column below appear references to the pages on which the exhibit is reproduced, while the page references under the "Offered" column identify the document to which the exhibit was attached whenever this is the case. The references under the "Received" column indicate where the trial court referred to the exhibits for consideration.]

<u>Exhibit</u>	<u>Identifi- cation</u>	<u>Offered</u>	<u>Received</u>
Ridgway Patent 1,665,981	28-31	20	114
Castberg Patent 2,161,799	32-34	20	114
Summers Patent 2,314,525	35-37	20	114
Rohmer Patent 1,648,196	38-40	20	114
Carrier Patent 2,982,547	41-44	20	114
"Surf 'n Glide" Drawing	45-46	20	114
"Surf 'n Glide" in Box	81	63	120
Roberts Affidavit	24-27	20	114
Thornton Affidavit	71-75	63	121
Melin Affidavit	83-84	63	121
"Remarks," a portion of Carrier File Wrapper	76-79	71	121

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